



**U.S. Department of Justice**

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**NEWS RELEASE**

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that John M. Trabert Jr., age 37, of Williamsburg, Virginia, pleaded guilty today in United States District Court in Norfolk to two counts of bank fraud and agreed to forfeit his interests in a Jaguar automobile and Stay the Night, LLC. Trabert faces a maximum sentence of 60 years imprisonment, a fine of \$500,000 and full restitution when sentenced on January 23, 2006, by United States District Judge Jerome Friedman.

On March 22, 2005, a federal grand jury in Norfolk returned an indictment charging that Trabert, a shareholder of Stay the Night, LLC devised a scheme to defraud banks and to deceive other shareholders of Stay the Night, LLC by providing them with false information regarding his financial assets. Trabert, operating individually and at times through Stay the Night, LLC sought to obtain financing to purchase and improve local hotels, including the Flagship Motel in Virginia Beach and the Days Inn and La Playa hotels in Norfolk, Virginia. Trabert sought approximately \$2.5 million in financing from federally insured banks, and \$1.262 million from the Small Business Administration in order to purchase the Flagship Motel.

Trabert provided false documents to various banks and the Small Business Administration in order to conceal his true financial status and to fictitiously enhance his net worth. He also compiled false information, including false financial statements and federal tax returns which were not filed with the Internal Revenue Service, false bank statements inflating the amount of funds he held on deposit, and a false listing of real property located in Pennsylvania which was purportedly owned by him and generated income. Additionally, Trabert presented false information, including a fabricated operating agreement, in an attempt to gain control of funds on deposit with Stay the Night, LLC, a company in which he owned a third interest.

This case was investigated by the Federal Bureau of Investigation. Assistant United States Attorneys Howard J. Zlotnick is prosecuting the case for the United States.

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